

## Message Text

CONFIDENTIAL

PAGE 01 STATE 171433  
ORIGIN SS-25

INFO OCT-01 ISO-00 SSO-00 /026 R

DRAFTED BY NEA/ARN:MDRAPER:JFC  
APPROVED BY NEA - MR. DAY  
S/S - O:JETHYDEN  
-----030054 220507Z /15  
O 220452Z JUL 77 ZFF4  
FM SECSTATE WASHDC  
TO AMEMBASSY AMMAN NIACT IMMEDIATE

C O N F I D E N T I A L STATE 171433

STADIS////////////////////////////////////  
EXDIS, FOR AMBASSADOR FROM DRAPER AND DAY

E.O. 11652: GDS

TAGS:MASS, JO, SA, US

SUBJECT: JORDAN FMS

REF: DRAPER/PICKERING TELECON OF JULY 21

1. FOLLOWING TELECON, WE IMMEDIATELY GOT IN TOUCH WITH GENERAL FISH, WITH DOD/ISA, AND WITH COLONEL KHADRA, WHO WAS IN ISA OFFICE TO SAY THAT YOU HAD BEEN IN TOUCH WITH THE KING IN AQABA AND THAT THE KING HAD ORDERED A HOLD-UP ON THE PROPOSED TRANSFER OF DOLS 1.7 MILLION TO THE FFB.
2. KHADRA STATED HE HAD BEEN AUTHORIZED BY GENERAL MAJALLI TO MAKE THIS TRANSFER OF FUNDS TODAY, JULY 21, AND THAT BIN SHAKER HAD ALSO APPROVED THE ARRANGEMENT. HE SAID HE SUPPOSED THAT BIN SHAKER HAD NOT YET BRIEFED THE KING ON THE PROBLEM.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 171433

3. GENERAL FISH STATED THAT AT ABOUT 1300 HOURS HE HAD ACCEPTED THE TRANSFER AND HAD ORDERED THE FUNDS TO BE TRANSFERRED TO THE FFB. HE SAID IN THE MOST EMPHATIC TERMS THAT HE HAD A CLEAR OBLIGATION TO THE TAXPAYERS TO ACCEPT THIS ARRANGEMENT. IT SHOULD BE UNDERSTOOD CLEARLY, HE ADDED, THAT THE USG WOULD CONTINUE TO DUN THE SAUDIS FOR THE DELINQUENT PAYMENT.

4. THE MOST IMPORTANT CONSIDERATION IS THAT THERE IS MORE AT STAKE THAN THIS DELINQUENT PAYMENT. IF THE ACCOUNT IS NOT SOMEHOW SETTLED, JORDAN WILL GO INTO DEFAULT AND THIS DEFAULT MUST RPT MUST BE REPORTED TO CONGRESS. THIS WOULD BE THE FIRST DEFAULT IN THE 27 YEARS OF THE FMS PROGRAM AND COULD THROW INTO QUESTION THE CREDIT WORTHINESS OF THE FMS PROGRAM AS A WHOLE, SINCE ANY CONGRESSMAN WOULD QUICKLY BE ABLE TO POINT OUT THAT JORDAN--THE NOMINAL DEBTOR--COULD SCRAPE TOGETHER DOLS 1.7 MILLION TO PAY ITS ACCOUNT.

5. GENERAL FISH AGREED, HOWEVER, TO HOLD UP THE TRANSACTION FOR ANOTHER 24 HOURS SO AS TO GIVE YOU TIME TO CONSULT AGAIN WITH BIN SHAKER AND THE KING.

6. MINUTES LATER, AT 1615 LOCAL, I WAS INFORMED BY THE COMPTROLLER'S OFFICE THAT THE TRANSACTION HAD ALREADY TAKEN PLACE LEGALLY AND THAT THE FUNDS HAD BEEN DEPOSITED IN THE FFB. IN SHORT, IT WAS TOO LATE TO CALL BACK THE TRANSACTION.

7. COMMENT: WE DISCUSSED THIS WHOLE AFFAIR WITH ATHERTON. SINCE THE TRANSACTION HAS ALREADY OCCURRED, WE BELIEVE--ON REFLECTION--THAT THIS WILL WORK OUT TO BE IN THE BEST INTEREST OF THE JORDANIANS. FOR THE OBVIOUS REASONS, WE CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 171433

WOULD HAVE PREFERRED NOT TO HAVE ACCEPTED A SOLUTION WHICH MIGHT HAVE SOME FUTURE BEARING ON THE WAY THE SAUDIS PAY JORDANIAN OBLIGATIONS. ON THE OTHER HAND, IT WAS ONLY REALISTIC FOR THE PENTAGON TO ACCEPT THE JORDANIAN PROPOSAL FOR RESOLVING THIS KNOTTY PROBLEM. VANCE

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PAGE 01 STATE 171433

ORIGIN SS-15

INFO OCT-01 ISO-00 SSO-00 /016 R

66011

DRAFTED BY:NEA/ARN:MDRAPER  
APPROVED BY:NEA/ARN:MDRAPER  
S/S-O:TGMARTIN  
NEA:RNEWMAN

-----050208 230930Z /10

P 230335Z JUL 77  
FM SECSTATE WASHDC  
TO AMEMBASSY JIDDA PRIORITY

C O N F I D E N T I A L STATE 171433

STADIS////////////////////////////////////  
EXDIS

FOLLOWING SECSTATE 171433 SENT ACTION AMMAN JULY 22, 1977  
REPEATED TO YOU QUOTE

C O N F I D E N T I A L STATE 171433

STADIS  
EXDIS, FOR AMBASSADOR FROM DRAPER AND DAY

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PAGE 02 STATE 171433

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UNQUOTE VANCE

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NNN

## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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**Decaption Date:** 22 May 2009  
**Decaption Note:** 25 YEAR REVIEW  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
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**TAGS:** MASS, JO, SA, US  
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Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009